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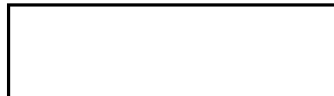
PROPOSED REORGANIZATION OF THE

OFFICE OF LOGISTICS

ACQUISITION SYSTEM

20 OCTOBER 1981

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PURPOSE: This paper presents a recommended reorganization within the Office of Logistics (OL) to accommodate and exploit the capabilities of the forthcoming Logistics Integrated Management System (LIMS).

SCOPE: LIMS is viewed as a predominantly materiel-oriented system, and the study of possible reorganization was limited to OL functional elements providing materiel support. Those elements, which comprise the OL Acquisition System, are concerned with the processing of customer requests for materiel and services, from initiation of request to satisfaction of requirement. Existing OL components devoted principally to the operation and support of the Acquisition System are:

Procurement Management Staff

Security Staff

Procurement Division

Supply Division

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GOAL OF REORGANIZATION: Improve logistics response to customer requirements.

OBJECTIVES: Adopt an organizational structure that:

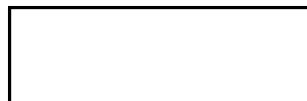
1. Emphasizes output, or production, from the Acquisition System by separating acquisition transaction functions from supportive functions.
2. Enhances managers' ability to focus on and take action on production functions within their areas of responsibility.
3. Reflects functional changes to be brought about by LIMS implementation.
4. Permits exploitation of LIMS ADP capabilities.
5. May be phased-in prior to LIMS implementation to minimize disruptions at any one time.
6. Reflects the increased demand on depot services and the emphasis on direct procurement rather than stock issues.
7. Distinguishes between the types of management required for projects (contracting) and processes (small purchases and depot operations).
8. Addresses the importance of customer relations.

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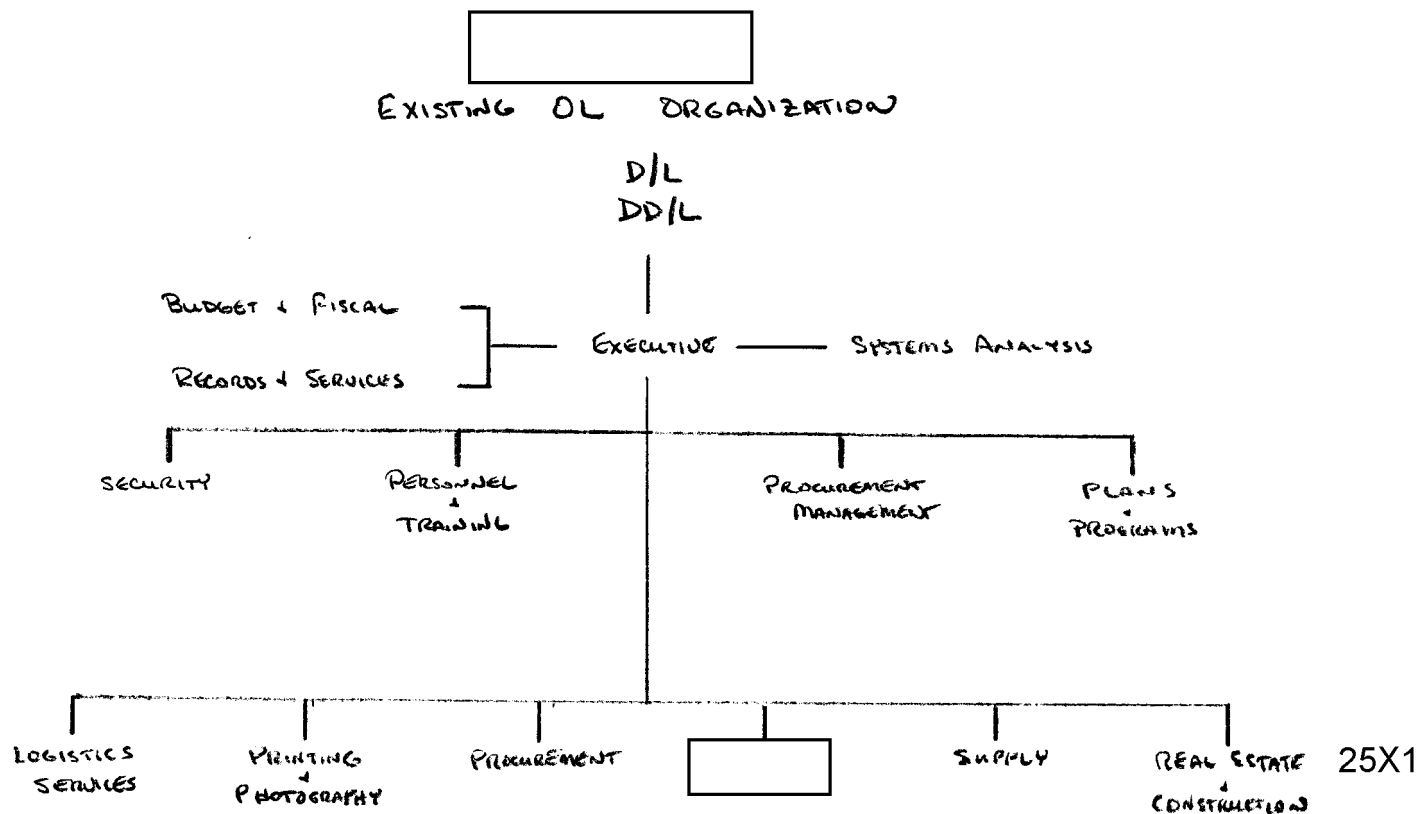
ASSUMPTIONS:

1. Functional subdivisions can be mixed if necessary to support improved responsiveness.
2. The future environment will increase the importance of direct acquisition and decrease needs for expanded depot stocks.
3. Demand for depot services (storage, packing, transportation) will continue to grow.
4. Commercial procurement of small purchases (less than \$10,000) do not require the in-depth procurement training required for development, production, and services contracts (over \$10,000).
5. Knowledge and participation in the acquisition process by customer organization is essential and must be encouraged by a combination of staffing, training, and ongoing liaison.

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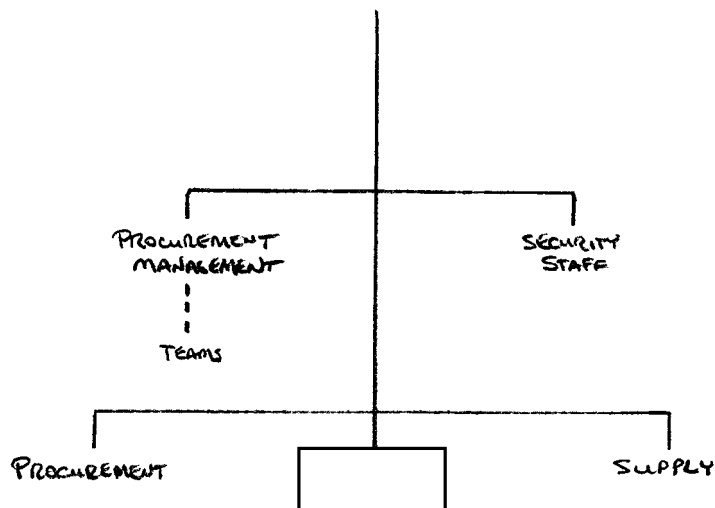
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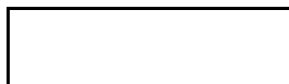
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EXISTING ORGANIZATIONS IN THE ACQUISITION PROCESS

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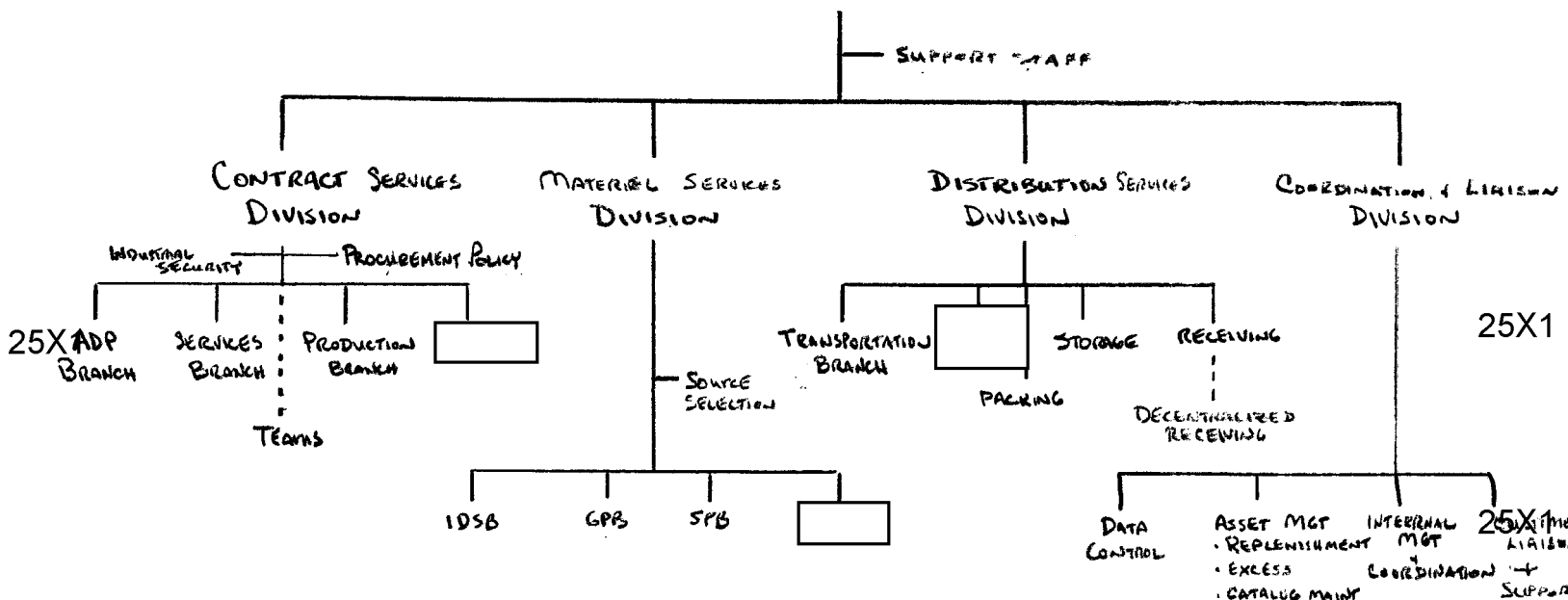
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PROPOSED ORGANIZATION OF THE ACQUISITION PROCESS  
DDL-  
ACQUISITION



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Rationale - CSD generally handles those transactions that have higher dollar values, have relatively long life spans (continuing involvement with vendors), are more complex than one-time acquisitions, routinely require dialog with customer organizations, and/or require in-depth application of Federal contracting regulations and practice. Transactions have an individual identity, with a beginning, mid-life, and completion, and thus are project-oriented. The procurement policy function is situated within CSD because of the commonality and speciality of skills and interest among Division functions. Procurement Policy decisions have relatively little impact on the type of transactions performed in the Material Services Division, but would apply where applicable. MSD would develop procedures consistent with established procurement policy. Managerial skills required are project management, regulatory expertise, and experience in contracting.

25X1 Antecedents - CSD would include all of those functions now performed by PMS,  ADP&EB, and P&SCB. It would also include those functions in GPB that perform renewable service contracts. The Industrial Security Program of the SS can go here or into the DDL/Acquisition Support Staff area.

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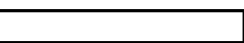
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MATERIEL SERVICES DIVISION

Rationale - MSD generally handles the high volume, low dollar value transactions that do not take on individual identities. Work is akin to a process, where transactions flow through the system one time with different components and persons performing specialized functions at various process stages. Individual transactions are processed without supervisory review. Skills required for processing tend to be job-related and can be learned on the job. Management skills emphasize abilities to handle processes.

Antecedents - All elements of IDSB, SPB, 

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 and those elements of GPB not procuring reviewable services. The follow-up and expedite functions of SMB, and those SMB functions that screen incoming requirements and determine if items are stock or procurement and assigns procurement action will be part of MSD. Processing of requests for repair service will be performed in MSD.

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DISTRIBUTION SERVICES DIVISION

Rationale - DSD represents those organizational elements that physically handle material: receipt, storage, packing, and transportation. The placement of all OL depot activities  Building Supply Warehouse operations) provides the DSD with the flexibility to use all available resources for response as required. Establishing staff authority within the Receiving function for all receiving activity takes advantage of expertise developed within the Receiving Function and provides a single focal point to receipt related services. Skills are generally job-related and can be learned on-the-job. Management skills required are process-oriented materials handling.

Antecedents - All current depot functions except CRDS, plus oversight responsibility for all decentralized receiving activity.

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COORDINATION AND LIAISON DIVISON

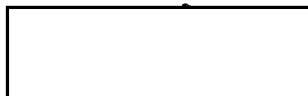
Rationale - CLD has two roles to play: the coordination function is directed towards maintenance of the production system in and between CSD, MSD, and DSD, while the liaison function provides a strong consultative relationship with customer organizations. The coordination, or housekeeping, functions are given the managerial attention due them without diverting production managers from their objectives--rapid response and output. An important criteria to distinguish between production and maintenance functions is the time-sensitivity of the activity: delays in maintenance do not immediately impact on production rates.


Antecedents: CLD is comprised of all data base management functions (DCB and CONIF/PDMIS input), OSB, the inventory management and catalog management functions of SMB, and the excess property management functions of CRDS. In addition, CLD has those elements of SAB responsible for maintenance of existing ADP systems. A proposed function for CLD is an aggressive liaison group that provides consultative support to customers. Such consultations may include training of customer personnel in the acquisition process, analysis and advice on customers internal logistics functions, and, for very small customer units, providing central logistics services in lieu of a component logistics/administrative office.

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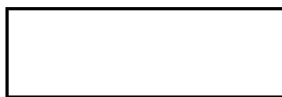
DEPUTY DIRECTOR OF LOGISTICS FOR ACQUISITION

Rationale - There are two considerations favoring the creation of a DDL/Acquisition component. First, there is a logical grouping of acquisition-oriented functions, which is distinct from the facilities support rendered by LSD and RECD and the services of PPD. The four proposed divisions (Contract Services, Materiel Services, Distribution Services, and Coordination and Liaison) all serve similar purpose of responding to customer's needs for things and all are interdependent in providing that response. Given that logical grouping, there is concern about the ability of the DL to provide the attention necessary to operate the Acquisition System in an integrated manner. The DL presently has eleven organizations reporting to him, a number near the upper limit of effective span of control. As proposed, the creation of a DDL/Acquisition would eliminate direct reporting by PMS, SS, PD,  and SD, reducing those reporting to the DL to seven. The DDL/Acquisition would have four line organizations and one support staff reporting to him.

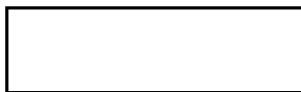
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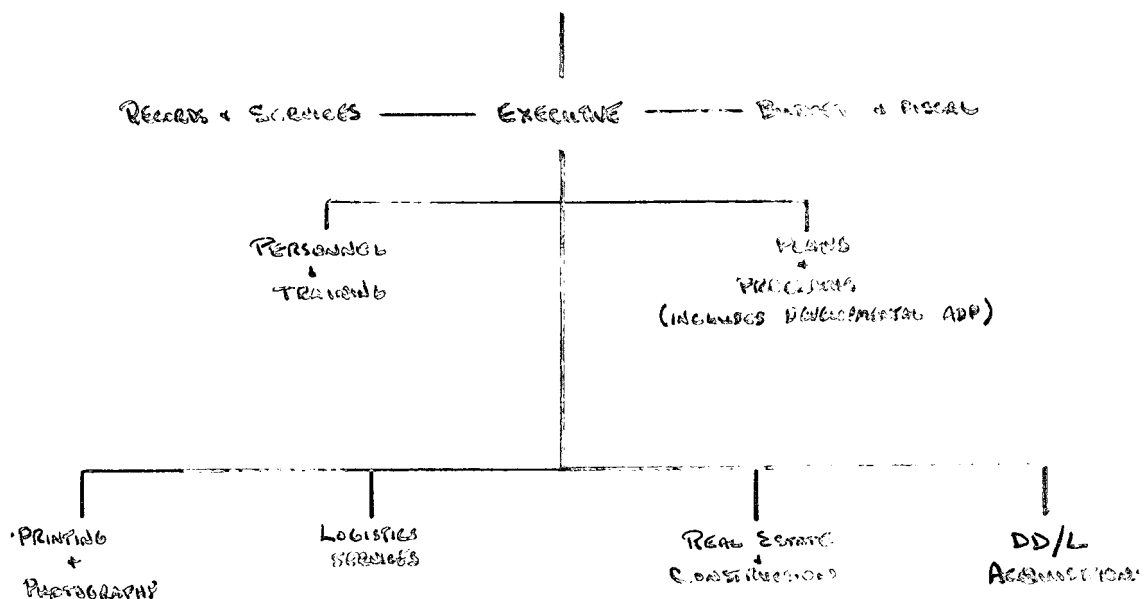
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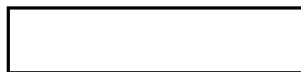


# OL ORGANIZATION AFTER REORGANIZATION OF ACQUISITION PROCESS

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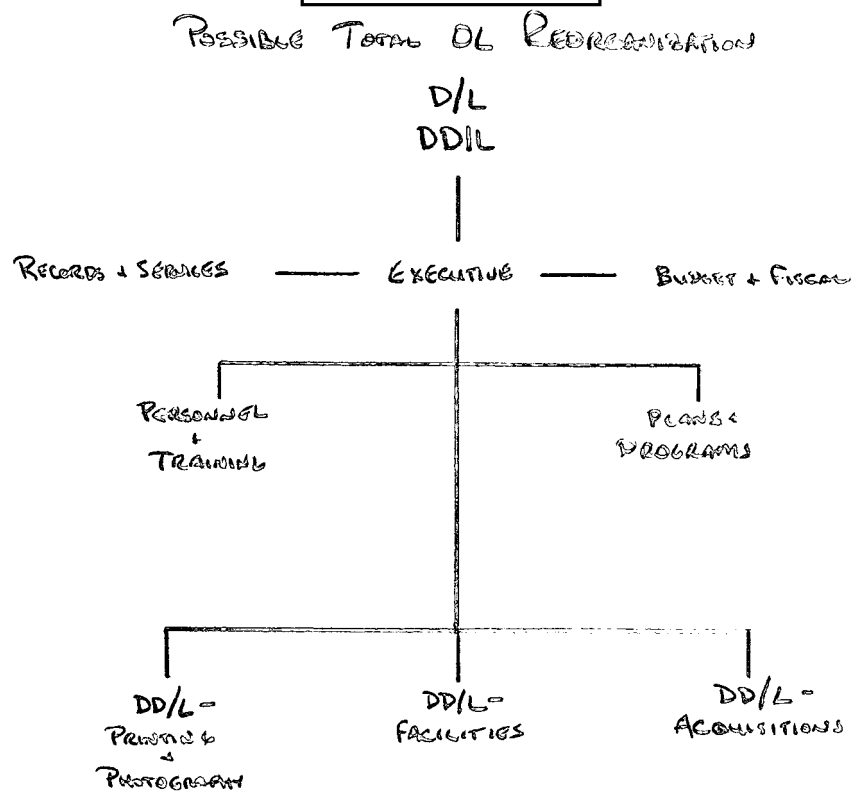
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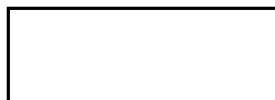
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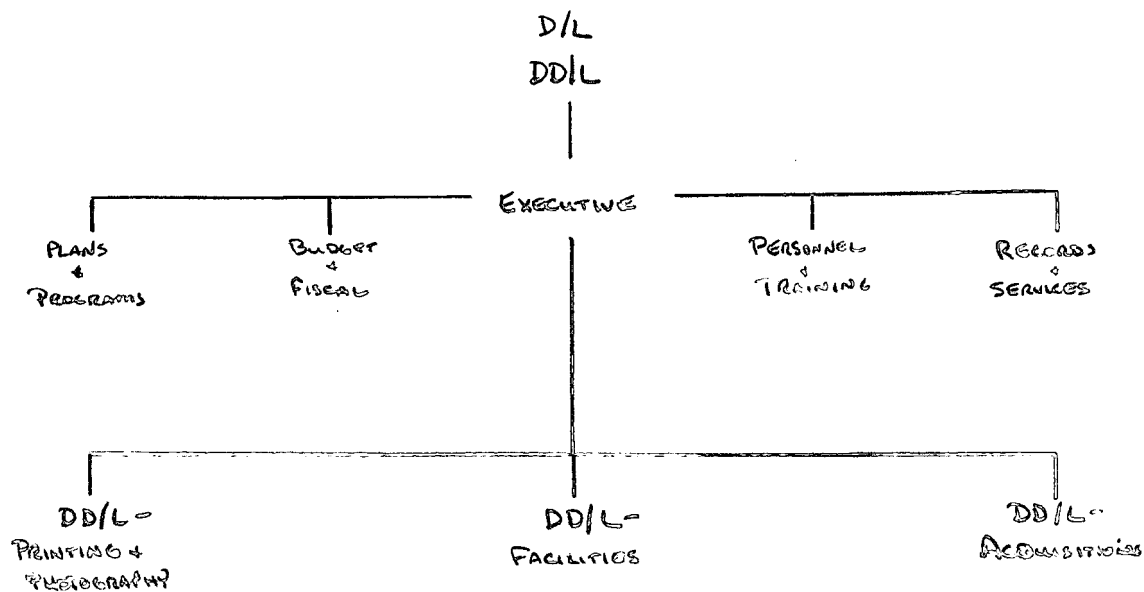
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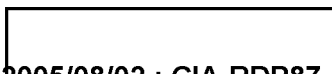
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### POSSIBLE OL REORGANIZATION



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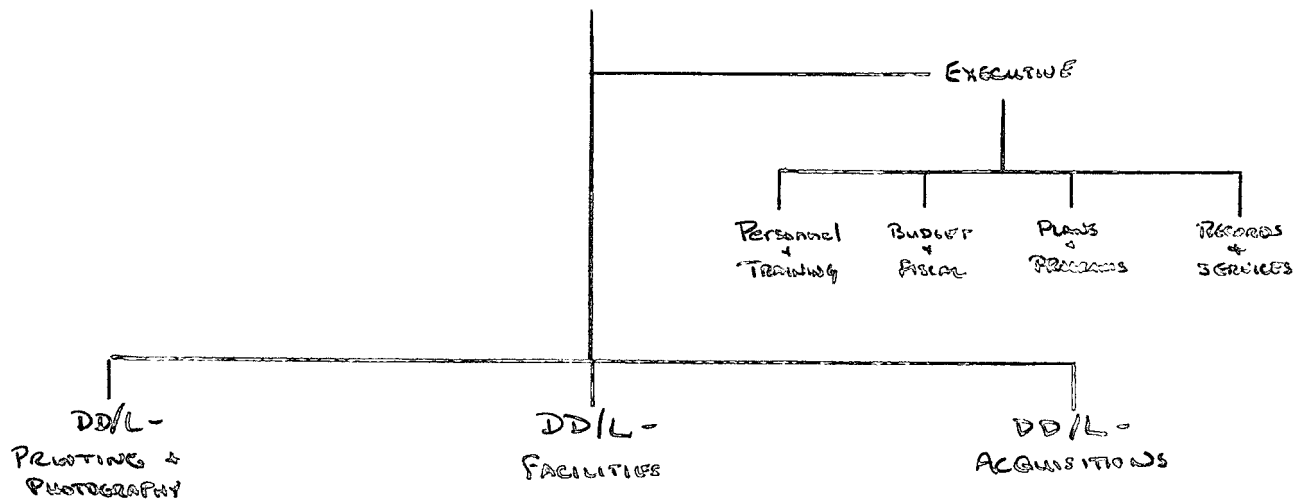
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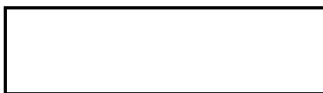
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POSSIBLE DL REORGANIZATION

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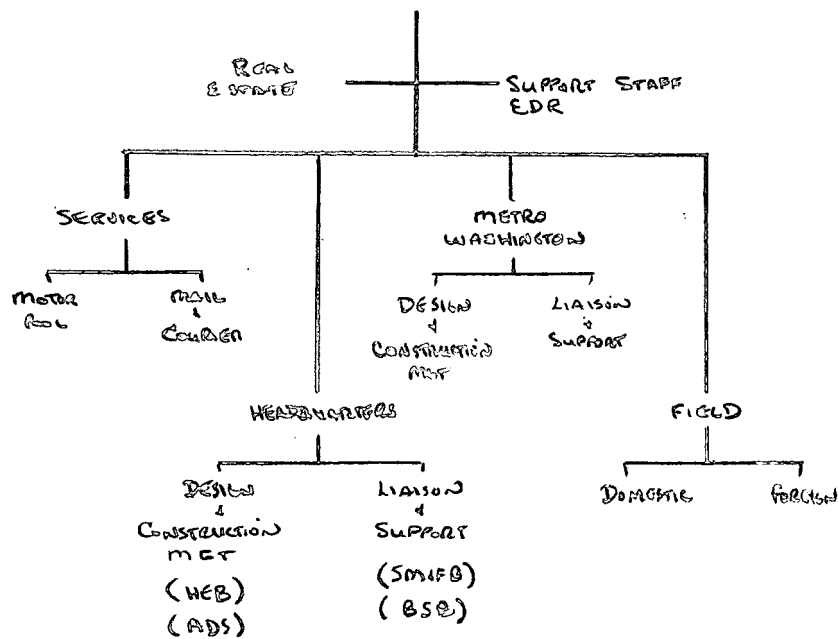


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POSSIBLE REORGANIZATION OF FACILITIES SUPPORT ACTIVITIES

DDL -  
FACILITIES



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